



# Virginia's Performance Accountability Model

## Virginia Performs

November 24, 2008



# Virginia Performs – Presentation Outline

- **Evolution of the Model: Accomplishments and Future Developments**
  - The Honorable Richard D. Brown
- **Accelerating Productivity Improvement**
  - The Honorable Aneesh P. Chopra
- **Panel**
  - The Honorable Wayne Turnage
  - The Honorable Richard D. Brown
  - The Honorable Aneesh P. Chopra
  - Daniel S. Timberlake

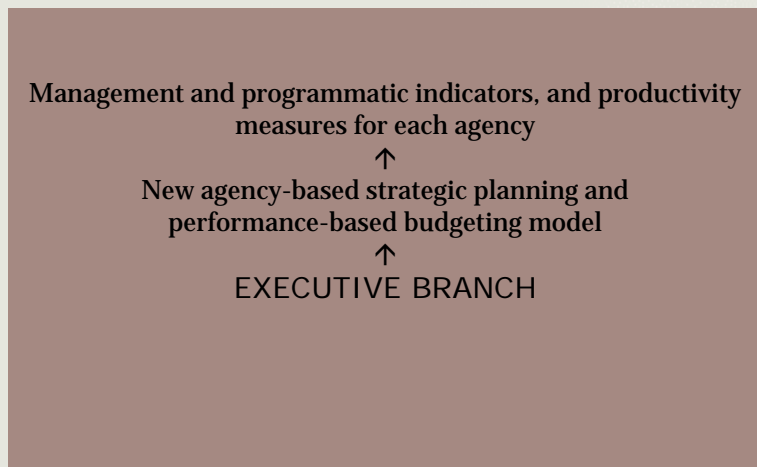
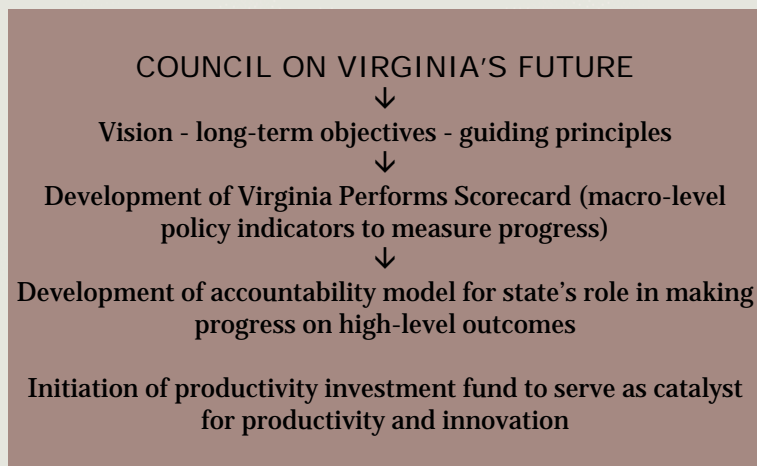
# Virginia Performs

Evolution of the Model: Accomplishments and  
Future Developments

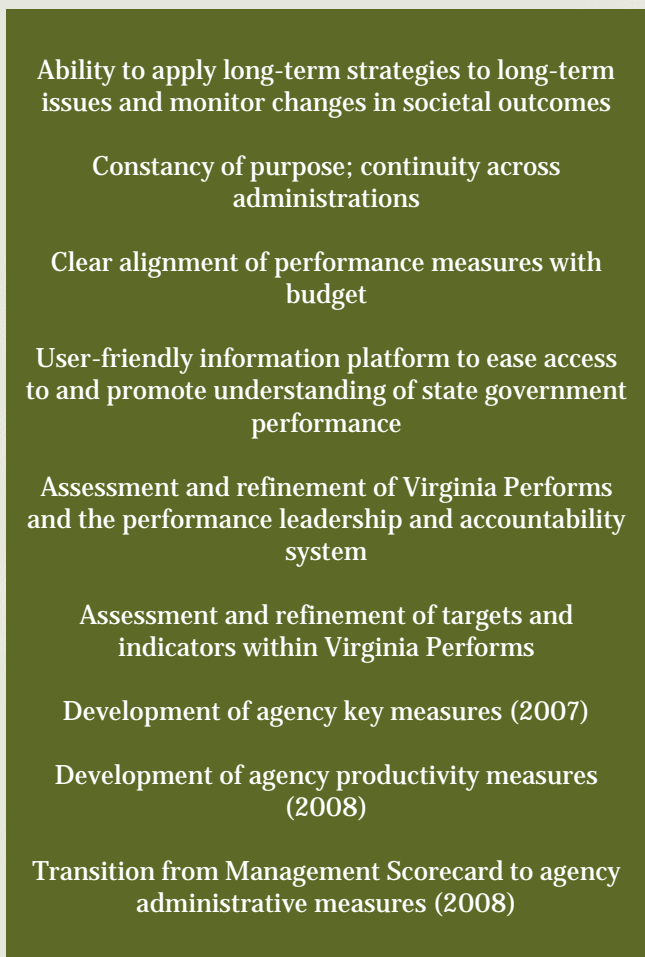
The Honorable Richard D. Brown

# Evolution of the Model

FOUNDATION: 2004-2007



MATURATION: 2008-2010

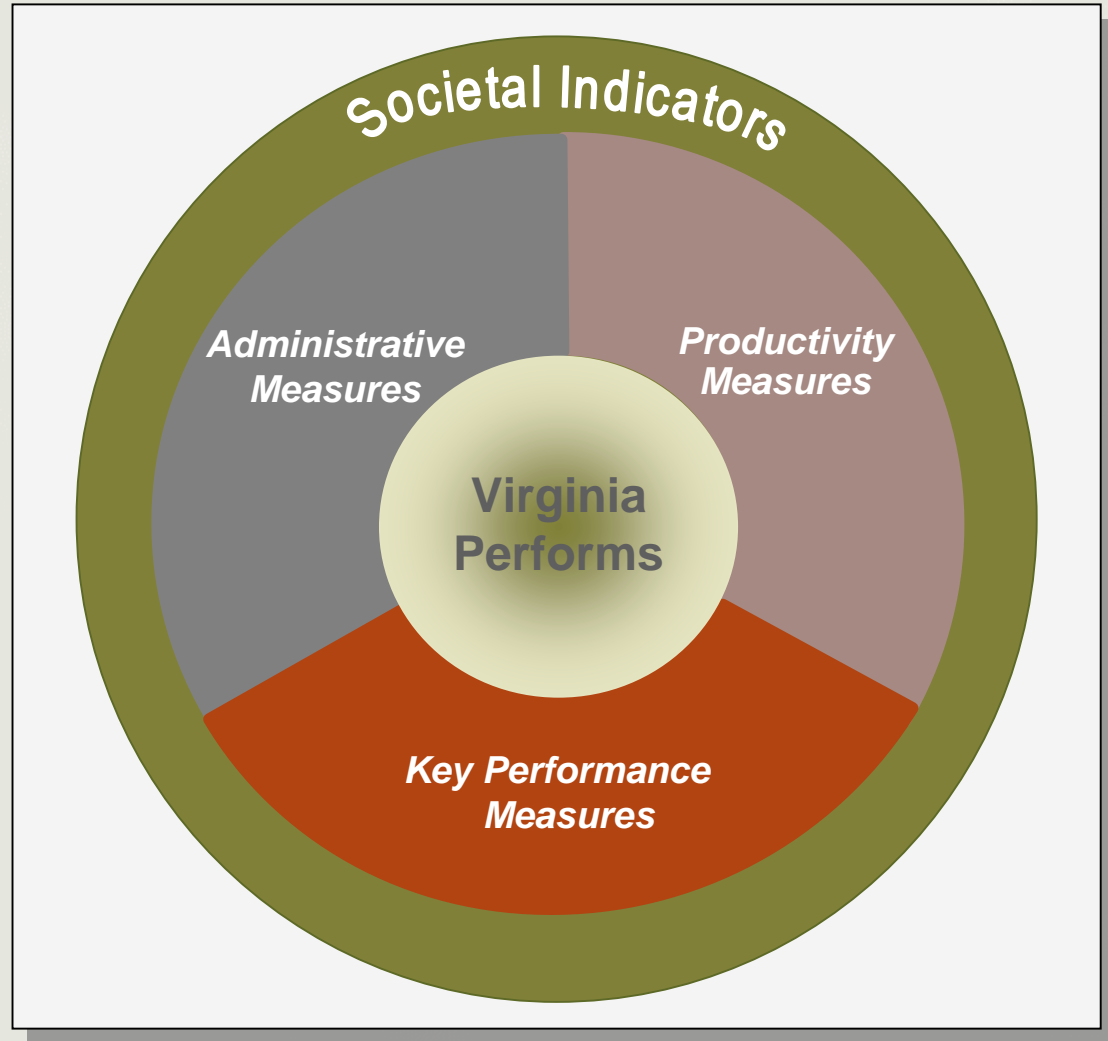


# Key Milestones

- 2008**
  - Began development of a new performance budgeting system.
  - Developed regional component of Virginia Performs, starting with the Hampton Roads area.
  - Increased emphasis on productivity and innovation.
  - Continued to develop and enhance Virginia Performs.
  - Established agency-level productivity measures.
- 2007**
  - Launched Virginia Performs with societal indicators and agency measures.
  - Published the *Virginia Report*, an analytical view of Virginia Performs.
  - Refined agency key measures and aligned them with societal indicators.
  - Further developed productivity agenda.
- 2006**
  - Identified key agency objectives and measures.
  - Added a productivity initiative to provide focus and financial support for enhancing both programmatic & operational targets.
- 2006 to 2003**
  - Implemented a new strategic planning and budgeting approach that included objectives, measures, and targets.
  - Established a vision and long-term goals for the Commonwealth.



# Integrated Approach to Agency Performance Reporting

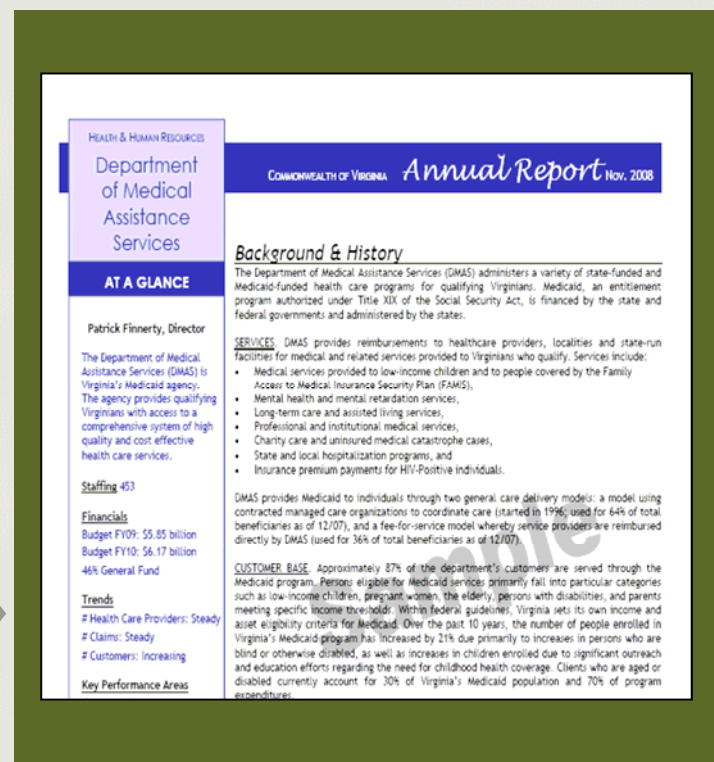


# Overview: Key Elements of Performance Budgeting (Virginia Performs)

- Agencies have updated and revised their strategic plans
  - Agency plans are informational and aspirational
  - Service area plans are more operational (linked to budget)
- Agencies have articulated performance objectives
  - Key agency objectives for performance management
  - Other agency objectives (e.g., service area level) for individual program performance
- Agencies have updated and reported performance data
  - Key agency performance measures
  - Other agency performance measures (e.g., service area level)
  - Productivity measures
- All elements are available on the Virginia Performs website

# Further Refinement of Agency-level Analysis and Reporting

- Increase transparency and analysis
- Require agencies to provide a report of progress on measures to the Governor every six months
- Require agencies to provide an annual report to the Governor





# Future Development: Virginia Performance-Based Budgeting System

## EVALUATION: 2008

### EIGHT PERFORMANCE BUDGETING PROCESS AREAS

Strategic Planning  
Operating Budget Development  
Six-Year Financial Plan  
Budget Reductions  
Capital Budget Development  
Agency Spending Plans  
Budget Execution  
Publishing



#### Current State Characteristics:

- Disconnected functions in budget process
- Repetitive data entry
- Account balancing
- Searching for the correct data files

## FUTURE VISION: 2009-2010 (Proposed)

### ENHANCEMENT THROUGH SIX KEY PROCESS AND POLICY CHANGES

1. **Extending the strategic planning horizon to three biennia** to better align with the 6-year spending and capital outlay plans.
2. **Modifying the criteria for establishing strategic priorities** by ranking strategic objectives in terms of relative importance to the agency. Useful for guiding future budget decisions.
3. **Increasing program measurement and evaluation** to focus activities on planned future states, allow performance outcomes to feed into subsequent planning cycles and identify activities that address strategic priorities and improve program performance.
4. **Initiating performance reviews** prior to budget development to determine program and measurement effectiveness (25% of service areas/year).
5. **Realigning base budgets** to meet changing program needs and service demands.
6. **Linking budget, expenditures, and performance evaluation** through technology that tracks the allocation of resources and performance measures by initiative or statewide program.

#### Future State Characteristics of Commonwealth Budgeting:

- **Communication** – disseminating executive policy initiatives and direction
- **Competition** – requiring agencies or private entities to compete for scarce resources by proposing initiatives that will make significant contributions to society
- **Realignment** – developing a process for agencies to adjust their base budgets to meet changing program needs and service demands
- **Prioritization/Effectiveness** – enhancing management's ability to rank and select programs for funding or reduce/eliminate low-performing programs or low-priority services
- **Efficiency** – reducing costs per output or level of service for funded programs
- **Analysis** – providing tools to aid in the development of operating budgets and spending plans

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## Response Panel

The Honorable Wayne Turnage  
The Honorable Richard D. Brown  
The Honorable Aneesh P. Chopra  
Daniel S. Timberlake